

**S. 382**

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IN THE SENATE OF THE UNITED STATES

JULY 26, 1971

Ordered to lie on the table and to be printed

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**AMENDMENT**

Intended to be proposed by Mr. KENNEDY to S. 382, a bill to promote fair practices in the conduct of election campaigns for Federal political offices, and for other purposes, viz: Delete title IV and insert in lieu thereof the following:

1 TITLE IV—INCOME TAX CREDIT FOR POLITICAL  
2 CONTRIBUTIONS

3 ALLOWANCE OF CREDIT

4 SEC. 401. Subpart A of part IV of subchapter A of  
5 chapter 1 of the Internal Revenue Code of 1954 (relating  
6 to credits against tax) is amended by renumbering section  
7 40 as 41, and by inserting after section 39 the following  
8 new section:

9 "SEC. 40. POLITICAL CONTRIBUTIONS.

10 "(a) GENERAL RULE.—In the case of an individual,  
11 there shall be allowed, as a credit against the tax imposed

1 by this chapter for the taxable year, an amount equal to  
2 so much of the political contributions as does not exceed  
3 \$50, payment of which is made by the taxpayer within the  
4 taxable year.

5 “(b) LIMITATIONS.—

6 “(1) MARRIED INDIVIDUALS.—In the case of a  
7 joint return of a husband and wife under section 6013,  
8 the credit allowed by subsection (a) shall not exceed  
9 \$100. In the case of a separate return of a married indi-  
10 vidual, the credit allowed by subsection (a) shall not  
11 exceed \$50.

12 “(2) APPLICATION WITH OTHER CREDITS.—The  
13 credit allowed by subsection (a) shall not exceed the  
14 amount of the tax imposed by this chapter for the tax-  
15 able year reduced by the sum of the credits allowable  
16 under section 33 (relating to foreign tax credit), section  
17 35 (relating to partially tax-exempt interest), section  
18 37 (relating to retirement income), and section 38  
19 (relating to investment in certain depreciable property).

20 “(3) VERIFICATION.—The credit allowed by sub-  
21 section (a) shall be allowed, with respect to any polit-  
22 ical contribution, only if such political contribution is  
23 verified in such manner as the Secretary or his delegate  
24 shall prescribe by regulations.

25 “(c) DEFINITIONS.—For purposes of this section—

1           “(1) POLITICAL CONTRIBUTION.—The term ‘polit-  
2 ical contribution’ means a contribution or gift of money  
3 to—

4           “(A) an individual who is a candidate for  
5 nomination or election to any Federal, State, or  
6 local elective public office in any primary, general,  
7 or special election, or in any National, State, or local  
8 convention or caucus of a political party, for use by  
9 such individual to further his candidacy for nomi-  
10 nation or election to such office;

11           “(B) any committee, association, or organi-  
12 zation (whether or not incorporated) organized and  
13 operated exclusively for the purpose of influencing,  
14 or attempting to influence, the nomination or elec-  
15 tion of one or more individuals who are candidates  
16 for nomination or election to any Federal, State, or  
17 local elective public office, for use by such com-  
18 mittee, association, or organization to further the  
19 candidacy of such individual or individuals for nom-  
20 ination or election to such office;

21           “(C) the national committee of a national po-  
22 litical party;

23           “(D) the State committee of a national politi-  
24 cal party as designated by the national committee  
25 of such party; or

1                   “(E) a local committee of a national political  
2                   party as designated by the State committee of such  
3                   party designated under subparagraph (D).

4                   “(2) CANDIDATE.—The term ‘candidate’ means,  
5                   with respect to any Federal, State, or local elective pub-  
6                   lic office, an individual who—

7                   “(A) has publicly announced that he is a can-  
8                   didate for nomination or election to such office; and

9                   “(B) meets the qualifications prescribed by law  
10                   to hold such office.

11                   “(3) NATIONAL POLITICAL PARTY.—The term  
12                   ‘national political party’ means—

13                   “(A) in the case of contributions made during  
14                   a taxable year of the taxpayer in which the electors  
15                   of President and Vice President are chosen, a polit-  
16                   ical party presenting candidates or electors for such  
17                   offices on the official election ballot of ten or more  
18                   States, or

19                   “(B) in the case of contributions made during  
20                   any other taxable year of the taxpayer, a political  
21                   party which met the qualifications described in sub-  
22                   paragraph (A) in the last preceding election of a  
23                   President and Vice President.

24                   “(4) STATE AND LOCAL.—The term ‘State’ means  
25                   the various States and the District of Columbia; and

1 the term 'local' means a political subdivision or part  
2 thereof, or two or more political subdivisions or parts  
3 thereof, of a State.

4 “(d) **CROSS REFERENCES.**—

“For disallowance of credits to estates and trusts, see  
section 642(a)(3).”

5 **CLERICAL AND TECHNICAL AMENDMENTS**

6 **SEC. 402.** (a) The table of sections for such subpart A  
7 is amended by striking out the last item and inserting in  
8 lieu thereof

“Sec. 40. Political contributions.  
“Sec. 41. Overpayments of tax.”.

9 (b) Section 642 (a) (relating to credits against tax  
10 for estates and trusts) is amended by adding at the end  
11 thereof the following new paragraph:

12 “(c) **POLITICAL CONTRIBUTIONS.**—An estate or  
13 trust shall not be allowed the credit against tax for politi-  
14 cal contributions provided by section 40.”

15 **EFFECTIVE DATE**

16 **SEC. 403.** The amendments made by sections 401 and  
17 402 shall apply to taxable years ending after December 31,  
18 1971, but only with respect to political contributions pay-  
19 ment of which is made after such date.

**Amdt. No. 335**

**Calendar No. 223**

**92<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION**

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